

Department of Social and Health Services

DP Code/Title: PL-KC Match for Basic Support Grant
Program Level - 100 Vocational Rehabilitation

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

Recommendation Summary Text:

The requested funding would replace the local funds portion of the state match with General Fund-State (GF-S). This will allow the Division of Vocational Rehabilitation (DVR) to ensure equitable service delivery to individuals with disabilities of all types and to capture all available federal funding.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 100			
001-1 General Fund - Basic Account-State	220,000	220,000	440,000
001-7 General Fund - Basic Account-Private/Local	(220,000)	(220,000)	(440,000)
Total Cost	0	0	0

Staffing

Package Description:

DVR was appropriated \$360,000 General Fund-Local authority for the 2001-03 Biennium. This local authority, combined with DVR's direct GF-S appropriation, make up the state matching funds required to receive the maximum federal grant available to DVR.

The federal Vocational Rehabilitation (VR) Basic Support Grant requires that the state provide at least a 21.3 percent match in order to maximize the federal share of the grant. This match can be accomplished with a combination of state and local funding. Because of increasing demand for services that exceed DVR's capacity, the division initiated a process known as Order of Selection (OOS). Because of federal restrictions under the OOS, DVR cannot meet the terms of the county/mental health Regional Support Network (RSN) contracts used to generate the local revenues.

To earn the local funds, DVR must convince primarily county Developmental Disabilities (DD) coordinators and RSNs to contribute a portion of their own funds to DVR under an inter-agency agreement. In return for this contribution, DVR must give priority services to individuals referred from the counties and RSNs ahead of other applicants waiting for DVR services.

In past years, parts of the state where DVR had waiting lists for services, the inter-agency agreements created a situation where the only people being served were those referred under an inter-agency agreement. Others on the waiting list never made it to the top because those referred under inter-agency agreements continued to move to the top of the list. Consequently, DVR's preferential treatment of these two disability groups resulted in inequitable service delivery for other disability groups in some areas.

In other areas, the local agency referred so many people to DVR for services that the agreement ended up considerably over spent. When this happened, priority services were suspended. The county or RSN did not see a value in transferring additional dollars to DVR because even transferring additional dollars would not reduce the deficit sufficiently to return to priority status. As local agencies experienced rising costs and decreasing budgets, they have been forced to make difficult funding decisions and program cuts. Our partner agencies no longer have the funds or the incentive to contribute a portion of their funds to enable DVR to achieve its full federal match.

When DVR cannot serve all individuals who apply because of funding or staffing limitations, it is required by federal law to institute the OOS process. When OOS is in effect, DVR may only serve people based on two factors: 1) severity of disability, and 2) date of application. DVR is prohibited from giving any preferential treatment to specific disability groups or agency referrals under the OOS. DVR entered OOS in November 2000 and at that time discontinued the practice of preferential services to inter-agency referrals.

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Narrative Justification and Impact Statement

How contributes to strategic plan:

This step supports the strategic goal to improve the quality of customer service.

This request relates to the following DSHS Balanced Scorecard Public Value Goal: DSHS clients who are able to work are employed.

Performance Measure Detail

Program: 100

**Goal: 05J Promote Self-Sufficiency and Self-Determination for
individuals w/ disabilities**

Incremental Changes

FY 1

FY 2

Output Measures

5J5 Number of individuals served.

250

250

Reason for change:

DVR's federal program, the Rehabilitative Services Administration, has expressed concern over the continued practice of the local funds proviso that has the effect of earmarking funds for special populations, which consequently restricts funds for individuals with other types of disabilities.

This step will eliminate barriers to equal access to services for all disability groups, ensure compliance with federal requirements, ensure DVR is able to achieve the maximum federal grant available, and reduce administrative inefficiencies and costs.

Impact on clients and services:

Discontinuing the requirement to bring local funds into DVR and replacing the funds with a direct allocation of GF-S ensures DVR's ability to achieve its full federal grant. At the same time, it allows DVR to ensure equity in serving all disability groups and to comply with federal mandates under OOS to base service decisions only on severity of disability and date of application.

Impact on other state programs:

County developmental disabilities programs and RSNs would not be required to contract with and transfer funds to DVR. As these local partners continue to experience decreases in funding, DVR cannot rely on their contribution.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

This would eliminate the need for contracting with local agencies.

Alternatives explored by agency:

DVR considered finding other sources of local funds, other than counties and RSNs. Ultimately, these alternatives create the same problems with another disability group or segment of the population.

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Budget impacts in future biennia:

Impact will be a total of \$440,000 GF-S (after CFL adjustments) that replaces local funds.

Distinction between one-time and ongoing costs:

All costs are ongoing.

Effects of non-funding:

The effects of non-funding will be a possible loss of federal grant funds, inequities in services among disability groups, and non-compliance with federal regulations.

Expenditure Calculations and Assumptions:

DVR's 2003-05 Maintenance Level Budget assumes a private/local appropriation level of \$440,000. This step replaces the local appropriation with state general fund.

<u>Object Detail</u>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program Totals				
<u>DSHS Source Code Detail</u>				
Program 100		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	220,000	220,000	440,000
<i>Total for Fund 001-1</i>		220,000	220,000	440,000
Fund 001-7, General Fund - Basic Account-Private/Local				
<u>Sources</u>	<u>Title</u>			
5417	Contributions & Grants	(220,000)	(220,000)	(440,000)
<i>Total for Fund 001-7</i>		(220,000)	(220,000)	(440,000)
Total Program 100		0	0	0